

State of South Dakota

SEVENTY-EIGHTH SESSION
LEGISLATIVE ASSEMBLY, 2003

77110019

SENATE BILL NO. 131

Introduced by: Senators Dennert, Kleven, Koetzle, Moore, Napoli, Reedy, Sutton (Duane),
and Symens and Representatives Hundstad, Elliott, Frost, Hargens, and
Novstrup

1 FOR AN ACT ENTITLED, An Act to revise the type of property exempt from taxation.

2 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

3 Section 1. That § 10-4-9.3 be amended to read as follows:

4 10-4-9.3. Property owned by any corporation, organization, or society and used primarily
5 for human health care and health care related purposes is exempt from taxation. Such
6 corporation, organization, or society ~~must~~ shall be nonprofit and recognized as an exempt
7 organization under section 501(c)(3) of the United States Internal Revenue Code of 1954, as
8 amended, and in effect on January 1, ~~1986~~ 2003, and may not have any of its assets available to
9 any private interest. ~~Such~~ The property may be a hospital, sanitarium, orphanage, mental health
10 center, or adjustment training center regulated under chapter 27A-5, asylum, home, resort,
11 ~~congregate housing, or camp. Congregate housing is health care related if it is an assisted,~~
12 ~~independent group-living environment operated by a health care facility licensed under chapter~~
13 ~~34-12 which offers residential accommodations and supporting services primarily for persons at~~
14 ~~least sixty-two years of age or disabled as defined under chapter 10-6A. Supporting services~~
15 ~~must include the ability to provide health care and must include a food service which provides~~



1 ~~a balanced nutrition program. Such~~ A health care facility ~~must~~ shall admit all persons for
2 treatment consistent with the facility's ability to provide medical services required by the patient
3 until ~~such~~ the facility is filled to its ordinary capacity and ~~must conform~~ conforms to all
4 regulations of and permit inspections by the South Dakota Department of Health.

5 Section 2. That chapter 10-4 be amended by adding thereto a NEW SECTION to read as
6 follows:

7 Any congregate housing facility owned by a corporation, organization, or society is exempt
8 from certain property taxes, if it does not have any of its assets available to any private interest,
9 provides certain health care services, and is recognized as an exempt nonprofit corporation,
10 organization, or society under section 501(c)(3) of the United States Internal Revenue Code, as
11 of January 1, 2003. A congregate housing facility does provide health care services if it is an
12 assisted, independent group-living environment operated by a health care facility licensed under
13 chapter 34-12 which offers residential accommodations and supporting services primarily for
14 persons at least sixty-two years of age or disabled as defined under chapter 10-6A. Supporting
15 services include the ability to provide health care and a food service that satisfies a balanced
16 nutrition program. Such congregate housing facility property is subject to all property taxes,
17 except any property taxes levied by a school district. For taxes payable in 2005, the tax levy shall
18 be made on fifty percent of the taxable valuation of such property. For taxes payable in 2006 and
19 each year thereafter the tax levy shall made on the full taxable valuation of such property. In
20 addition, the taxable value of congregate housing facility shall be reduced by the percentage of
21 residents whose rent is subsidized by medicaid. This rent payment shall be based on the monthly
22 occupancy rates by such residents for the previous calendar year. The owner of the congregate
23 housing facility shall submit a certificate to the county director of equalization documenting the
24 information required.